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SUMMARY RECORD OF THE 54th MEETING

Chairman: Mr. VILCHEZ ASHER (Nicaragua)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 3.20 p.m.

AGENDA ITEM 116: PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued)

Programme budget implications of draft decision A/50/L.67 (The situation of democracy and human rights in Haiti) (A/C.5/50/L.33)

Programme budget implications of draft decision A/50/L.68 (United Nations Mission for the Verification of Human Rights and of Compliance with the Commitments of the Comprehensive Agreement on Human Rights in Guatemala) (A/C.5/50/L.34)

1. Mr. AMARI (Tunisia), Vice-Chairman, proposed that the Committee should adopt by consensus draft decisions A/C.5/L.33 and L.34, which had been the subject of extensive consultations. In the fourth paragraph of document L.34, "18 March 1996" should be substituted for "31 March 1996".

2. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee wished to adopt draft decisions A/C.5/L.33 and L.34 without a vote.

3. It was so decided.

4. Ms. FUENTES ORELLANA (Guatemala) thanked the members of the Committee, whose flexibility had enabled draft decision A/C.5/50/L.34 to be adopted. The desire of the Guatemalan Government and of the Unidad Revolucionaria Nacional Guatemalteca to conclude a definitive agreement raised hopes that a settlement would be reached in May.

5. Mr. INNOCENT (Haiti) thanked those delegations which had helped to draft document A/C.5/50/L.33. The Committee's decision confirmed that the Haitian people had been right to count on the support of the international community.

6. Ms. INCERA (Costa Rica), speaking on behalf of the Group of 77 and China, said that the countries on whose behalf she spoke had individually stated their political positions on the United Nations Missions in Haiti and Guatemala. With regard to the programme budget implications of the proposals submitted, the Group of 77 and China had joined the consensus based on the following understanding.

7. Firstly, it was clearly indicated in the draft decisions that the budgetary process approved by the General Assembly in its resolution 41/213 and reaffirmed in subsequent resolutions, particularly resolution 50/214, continued in force.

8. Secondly, the reference to resolution 50/214 indicated that the Secretariat should not be forced to formulate proposals which would involve the suppression, termination or reformulation of programmes, since the resolution in question provided that all mandated programmes and activities must be fully implemented. It was the understanding of the Group of 77, moreover, that the Secretariat would not go beyond the economies indicated in resolution 50/214 if that would affect programme implementation.

9. Thirdly, the Committee would take a final decision on appropriations after the submission by the Secretary-General of the proposals called for in the draft decision just adopted.

AGENDA ITEM 117: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS (continued) (A/50/666/Add.4; A/C.5/50/57)

10. Mr. CONNOR (Under-Secretary-General for Administration and Management), commenting on the information contained in document A/50/666/Add.4, said that, while the number of States which had paid their regular budget contributions in full in 1995 had increased compared with 1994 (94 as against 75), the amount of contributions outstanding on 31 December had risen considerably, from $1.8 billion ($480 million for the regular budget and $1.3 billion for peace-keeping operations) to $2.3 billion ($564 million for the regular budget and $1.7 billion for peace-keeping operations). The main reason for that deterioration in the situation was that, in contrast to what had happened in the past, the total amount received in 1995 for arrears and current contributions had been less than the amount of the assessed contributions for the year. In the case of the United States, the Member State with the highest rate of assessment, the amount paid for the regular budget was only 47 per cent of the 1995 assessment and payment for peace-keeping operations totalled only 40 per cent of the 1995 assessments. At the end of 1995, the United States had owed a total of $1.2 billion. Other States also had substantial arrears.

11. During the period from 1 January to 15 March 1996, $1.6 billion had been assessed ($1.1 billion for the regular budget, $450 million for peace-keeping operations, and $7 million for the international tribunals). Taking into account the amounts received or credited to Member States ($770 million), the total outstanding on 15 March 1996 had risen to $3,121 million (including $157 million of assessments issued within the 30-day period). By 31 January 1996, 25 Member States had paid their regular budget contributions in full and on time, as compared with 19 in 1995. For the period from 1 February to 15 March, the figures were 16 in 1996 and 10 in 1995.

12. Referring to the cash flow projections mentioned in paragraph 12 of the report, he said that the Secretariat had received only $531 million of the $670 million which it had expected to receive by 31 March. The difference was due principally to the fact that the amounts which the United States and Germany had announced ($77 million and $49 million respectively) had not been received. Assuming no additional major slippage, the cash position should remain positive until June as far as the regular budget was concerned. A deficit of $424 million was, however, projected by 31 December.

13. Only the Member States could remedy the situation. In that connection, he drew the attention of delegations to paragraph 14 of the report under consideration, in which it was stated that the Russian Federation had announced its intention to pay an aggregate amount of $400 million in 1996. That Member State had paid its contribution to the regular budget for the current year. After reading out the last two sentences of paragraph 14, he confirmed that, since a substantial percentage of the sum in question represented contributions to peace-keeping operations, its receipt would make it possible to reimburse some of the amounts owed to Member States which had contributed troops.

14. Commenting on the report in document A/C.5/50/57, which the Committee would be considering at a later stage in the light of the observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), he said that the United Nations was experiencing the same difficulties as many Governments: how to do more with less. Reviewing the various stages which had led to the adoption of a budget of $2.6 billion for the biennium 1996-1997, he said that the total amount of savings to be achieved in one year amounted to $250 million, or 10 per cent of the budget for the whole biennium. That figure included $98 million already proposed by the Secretary-General in his programme budget estimates and $154 million in additional reductions requested by Member States.

15. The Secretariat had considered what measures it could take in order to achieve that target, bearing in mind that it was important to ensure fair, equitable and non-selective treatment of all sections of the budget, as well as the full implementation of all mandated activities. It had reached the conclusion that a further reduction of approximately $140 million was possible at the current stage and that by the end of the biennium the target of $154 million could be achieved.

16. Since staff costs represented 70 to 75 per cent of the total expenditure of the Organization, savings of the magnitude required could not be achieved without an impact on the number of staff. The Secretariat had therefore raised the vacancy rate to 9 per cent for Professional posts and 7 per cent for General Service posts. In other words, in addition to the 200 posts already proposed for abolition in the proposed programme budget, another 800 posts would have to become vacant. To achieve that target, several methods were proposed: attrition, enforcement of retirement age, freeze in recruitment, early separation programme, lateral redeployment and, as a last resort, involuntary separation (para. 18).

17. The savings had been distributed among the various units of the Organization. In view of their magnitude, the measures proposed would necessarily have an impact on the speed with which mandated activities could be carried out, but the impact would be mitigated by the efficiency gains expected. He cited conference services as an example of the steps that would be taken. Knowing that 20 per cent of the meetings scheduled were cancelled, the Secretariat estimated that it could, without any major risk, reduce the staff to the level necessary to cover 90 per cent of the conferences and meetings programmed. Along the same lines, 300 issues had been identified for efficiency reviews. Those reviews were of two types. The first type consisted of reviews led by departments and offices, under the direction of the heads of the units concerned. That process should be completed by 1 June at the latest, by which date the Secretariat should be in a position to quantify the probable savings. The second type consisted of reviews affecting more than one department (such as finance and personnel administration). They would take longer. All the recommendations, which would have to be approved by the General Assembly before being implemented, would be set forth in the report which the Secretary-General would submit to the Assembly at its fifty-first session.

18. In its search for greater efficiency, the Secretariat had used a methodology developed in the United Kingdom. It had also benefited from the

assistance of experts generously made available to it by several States to which he would like to pay tribute: Australia, Bangladesh, Canada, Colombia, Fiji, France, Germany, Jamaica, New Zealand, the Republic of Korea, Saudi Arabia, Singapore, Sweden, Switzerland and the United States.

19. He was also happy to inform the members of the Committee that since 1 April the financial module of the Integrated Management Information System had been fully operational and was running smoothly.

20. Ms. INCERA (Costa Rica), speaking on behalf of the Group of 77 and China, said that resolution 50/214 required the Secretariat to submit to the General Assembly for its approval the economy measures which it proposed to adopt. Despite that provision and without consulting Member States, the Secretariat had already taken certain initiatives which gave cause for concern: non-translation of certain documents for use by the Commission on Human Rights in Geneva, suppression of 16 posts in the Distribution Section, and so forth. The Group of 77 and China would welcome clarification of that matter.

21. Mr. GOKHALE (India) said that, according to paragraph 14 of document A/50/666/Add.4, the Organization should shortly receive a payment of $50 million for peace-keeping operations. As of September 1994, the United Nations had stopped reimbursing the amounts due to India for the troops provided by that country for the United Nations Operation in Somalia. The Indian delegation would therefore like to know how the Secretariat proposed to utilize the expected sum.

22. The report stated that, by 15 March 1996, only 41 Member States had fully paid their regular budget assessments and that those payments totalled $305 million (para. 6 and annex III). That figure did not take into account the approximately $200 million which the Organization had received on the same date from other Member States, some of which, like India, had paid nearly the entire amount they owed with the balance remaining unpaid for technical reasons.

23. Mr. TOYA (Japan) said that document A/C.5/50/57 should be carefully reviewed in the light of the Advisory Committee's comments and taking into account the programme budget implications of the proposed measures. On the question of staffing levels, it was unfortunate that the press seemed to be better informed than Member States about the way in which the Secretariat proposed to achieve the 9 per cent and 7 per cent rates mentioned in paragraph 17 of the report. It would be appreciated if the Secretariat could make available to Member States the breakdown of the 800 posts which would remain or become vacant. Finally, his delegation was of the view that successful candidates from national competitive examinations should be recruited and that such examinations should continue to be held.

24. Ms. RODRÍGUEZ ABASCAL (Cuba), referring to the comments made by the Costa Rican delegation on behalf of the Group of 77 and China, again requested the Secretariat to explain on the basis of which instructions certain documents intended for use by the Commission on Human Rights had not been translated into all the official languages.

25. Mr. MARRERO (United States of America) said that his delegation would carefully review the information contained in document A/C.5/50/57. As for the report on the financial situation of the United Nations, his Government was sparing no effort to pay as soon as possible the contributions owed by the United States of America.

26. Mr. AHOUNOU (Côte d'Ivoire) said that Côte d'Ivoire had paid its contributions to both the regular and peace-keeping budgets, even though that payment was not reflected in document A/50/666/Add.4. It would be appreciated if the information published by the Secretariat were duly updated.

27. Mr. HANSON (Canada) said that the information contained in document A/50/666/Add.4 was very useful. In a time of crisis, it was very important to take frequent stock of the cash flow situation.

28. Mr. ODAGA-JALOMAYO (Uganda) said that he subscribed to the views expressed by Costa Rica, on behalf of the Group of 77 and China, concerning the Secretariat's obligation to respect the decisions of Member States. His delegation would like to know which posts were included in the manning table of the Office of Conference and Support Services, especially the D-1 and higher level posts. Member States should be informed before the press of the economy measures which the Secretariat proposed to adopt.

29. Mr. FATTAH (Egypt), referring to document A/C.5/50/57, said that he supported the comments made by the representatives of Costa Rica, India, Cuba and Uganda. Like the representative of Japan, he believed that Member States and not the press should be the first ones to receive information issued by the Secretariat.

30. Mr. MEDINA (Morocco) asked whether account had been taken in annexes II and III of document A/50/666/Add.4 of the contributions paid on 15 March 1996.

31. Ms. ARCHINI (Italy) said that the member States of the European Union intended to review document A/C.5/50/57 very carefully before announcing their position on the proposals which it contained.

32. Mr. Soong Chul SHIN (Republic of Korea), referring to document A/C.5/50/57, said that his delegation hoped that the national competitive examinations scheduled to be held in 1997 would proceed as planned.

33. Ms. ALMAO (New Zealand) said that it would be useful if the Secretariat could issue a monthly report on the cash flow situation similar to that contained in document A/50/666/Add.4, though not necessarily as detailed.

34. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that the Secretariat would be able to issue a monthly report on the cash position. He pointed out that the figures given in document A/50/666/Add.4 took into account payments received by the Organization up to and including 15 March 1996. That explained why the payments made by Côte d'Ivoire on 22 and 26 March had not been taken into account.

35. With regard to the $50 million for peace-keeping operations which the Organization expected to receive before long, he said that the Secretariat would inform Member States as soon as possible how those funds would be utilized. Sums received in respect of one operation were used first of all to reimburse Member States which had contributed troops to that operation. Reimbursement was made to those among them to which the Organization had been in debt for the longest time, and there was no transfer of funds from one operation to another. The Secretariat would reply at a later stage to the questions raised by the Ugandan and Cuban representatives with regard, respectively, to the high-level posts in conference services and the decision not to translate certain documents pertaining to human rights. He said that there was no question of abolishing national competitive examinations. With regard to information communicated to the press, he said that the Secretariat, which was conscious of the very sensitive nature of the report on economy measures, had organized briefings to which all ambassadors had been invited. When the Committee came to consider the report, the Secretariat would provide all the clarification required.

The meeting rose at 4.30 p.m.